



Governor Beverly E. Perdue
New Bern

State of North Carolina

Health & Wellness Trust Fund Commission

September 11, 2009

David Blumenthal MD, MPP
National Coordinator for Health Information Technology
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201
StateHIEgrants@hhs.gov

Letter of Intent

Funding Opportunity Number: EP-HIT-09-001

Funding Opportunity Title: American Recovery and Reinvestment Act of 2009, State Grants to Promote Health Information Technology Planning and Implementation Projects

Dear Dr. Blumenthal,

This letter of intent is to advise you that the North Carolina Health and Wellness Trust Fund Commission (HWTF) intends to submit an application for the grant opportunity referenced above. The funding will be used to implement the **North Carolina Health Information Exchange (HIE) Program** focused on expanding statewide health information exchange. **North Carolina intends to build upon an extensive planning process that began in early 2009. By October 16, 2009, North Carolina will finalize and submit a HIE Strategic Plan; an Operational Plan will be completed by December of 2009.**

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Participating Stakeholders: Office of the Governor; NC Department of Health and Human Services, NC Division of Public Health; Division of Medical Assistance (Medicaid); NC Healthcare Information and Communications Alliance, Inc. (NCHICA); NC Medical Society; NC AHEC Program; NC Nurses Association.; NC Hospital Association.; NC Association of Local Health Directors; Community Care of NC; NC Association of Health Plans; NC Health Care Quality Alliance; Carolina Centers for Medical Excellence (CCME); and NC Medical Society Foundation.

HWTF will not apply to be a Regional Extension Center (REC), but is a strategic partner with a consortium led by the North Carolina Area Health Education Center (AHEC), that has submitted a preliminary REC application.

Vandana Shah, Executive Director

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North Carolina's Progress in Advancing HIE To Date:

Legal and policy HIE capacity: North Carolina has engaged stakeholders to develop privacy and security solutions for interoperable health information exchange who participated and contributed to: 1) the Health Information Security and Privacy Collaboration (HISPC); 2) the Architectural Prototypes and Trial Implementation projects for the Nationwide Health Information Network (NHIN); 3) development of the NHIN Data Use and Reciprocal Support Agreement (DURSA); and 4) the HISPC model and pilot agreements for Inter-organizational Agreements (IOA) as well as Consumer Consent Options under HISPC. These efforts have been primarily coordinated by NCHICA. In addition, an NC Consumer Advisory Council on Health Information was formed in 2006 to provide consumer advice and guidance with respect to the use and exchange of patient-centric records electronically.

Governance capacity: In a July 2009 Executive Order, Governor Perdue designated the North Carolina Health and Wellness Trust Fund Commission, a division of the North Carolina Department of State Treasurer, as the State Designated Entity (SDE) and established the North Carolina HIT Collaborative. The Governor, in consultation with the HWTF Chair, appointed members from public, private and non-profit sectors to serve on the HIT Collaborative. The Collaborative is establishing expert advisory groups to help develop the application for federal HIT funds. The Collaborative is working with the NC HIE Council, formed by NCHICA, which includes over 20 stakeholder groups and 280 individuals. With guidance from the Collaborative, a governance framework will be developed and implemented through a statewide HIE governing entity. The HIE governing entity will establish the roles, responsibilities, and relationships between parties; organize, promulgate and oversee activities among stakeholders and across the state; as well as oversee development and implementation of accountability mechanisms.

Business and technical operations capacity (implementation): Through participation in nationwide prototypes and trial implementations, North Carolina has developed the foundational building blocks needed to develop, deploy and manage a statewide HIE infrastructure. However, many HIE initiatives in North Carolina are in various stages of planning with the exception of one Health Information Organization (HIO) that is operational – the Western North Carolina Health Network (WNCHN). Therefore, North Carolina's implementation strategy for building a statewide exchange is based on incremental phases of development that expand capacity of existing initiatives, extend HIE capacity by leveraging statewide resources, and incubate new capacity building HIE projects.

Technical infrastructure capacity: North Carolina is committed to developing and deploying a statewide technical architecture that is flexible and adaptable in order to leverage existing investments across HIE communities, state agencies and health care providers. These existing investments are described in greater detail in the next section. Equally important is the creation of a statewide "shared services" infrastructure that provides: 1) statewide and community-based core technical services specific to information exchange across disparate entities that comply with adopted HHS interoperability standards; 2) technical services for accessing statewide data registries and repositories; and 3) health information exchange capabilities to meet meaningful use priorities (e.g., e-prescribing/medication history; clinical lab orders/results; clinical summary exchange; public health reporting).

Finance capacity: HWTF has extensive experience in managing fiscal affairs for the state. HWTF has well established finance policies, procedures and controls, established to administer over \$287 million in funding. Further, HWTF has extensive experience performing financial reporting and audits and other internal control procedures. In addition, North Carolina will build upon the NC HIE Sustainability Plan developed by NCHICA as part of the NHIN project.

Leveraging Existing Regional and Statewide Efforts to Advance Health Information Exchange

North Carolina intends to deploy a statewide shared services infrastructure that leverages existing and emerging HIE initiatives, is based on community information exchange requirements, has the flexibility to accommodate current technical environments, and complies with federal and state privacy laws so that HIE capacity can be rapidly expanded across North Carolina. Immediate opportunities for leveraging existing HIE initiatives for the purpose of expanding HIE capacity are described below, along with other initiatives that will contribute to building a solid, comprehensive strategic HIE program.

Statewide Initiatives:

(1) ***Community Care of North Carolina:*** North Carolina's unique care coordination network, Community Care of North Carolina (CCNC) is a well respected and successfully implemented patient-centered enhanced medical home model for improving care and controlling costs. CCNC is a network of 14 healthcare communities, includes 3,200 physician participants and is operated by community physicians, hospitals, health departments, academic medical centers, and departments of social services. As part of North Carolina's implementation strategy, this network of providers will be leveraged to convene and organize early HIE community-based activities.

CCNC Informatics Center: CCNC has launched an informatics center focused on developing an electronic data exchange infrastructure to automate its health care quality initiative that supports patient care coordination; facilitates disease management, population management, and pharmacy management initiatives; enables communication of key health information across health care settings; monitors cost and utilization outcomes; and monitors quality of care. In the near future, the Informatics Center will be 1) incorporating additional information sources to support these initiatives, including real-time hospital data, point-of-care pharmacy data, laboratory results, and Medicare claims; and 2) expanding our user community to allow direct access to information by external providers involved in the care of program participants.

(2) ***NC Public Health Information Network (NC PHIN):*** HIE efforts within public health in North Carolina have been organized under the concept of the Public Health Information Network (PHIN) and is consistent with the National Health Information Network (NHIN) standards. Following a thorough assessment, North Carolina intends to expand access to the following data sources through deployment of shared services infrastructure:

- ***North Carolina Immunization Registry (NCIR):*** NCIR was implemented to record patient history of all required childhood immunizations and assists the provider in making clinical decisions regarding necessary treatment.
- ***NC Electronic Disease Surveillance System (NC EDSS):*** NC EDSS is a disease surveillance, outbreak/case management and early detection system that allows public health analysts to receive, manage, process and analyze electronic data from public health entities, clinics, laboratories, hospitals and health care providers. NC EDSS services include support for required case or suspect case reporting of reportable diseases, electronic lab reporting, outbreak management, emergency situational awareness and GIS mapping capabilities.
- ***Early Event Detection and Surveillance (NC DETECT):*** provides services for situational awareness, case finding, contact tracing and timely surveillance related to injuries, chronic

diseases, environmental exposures and other public health concerns. Data from sources include: the State's hospital emergency departments, NC's poison control center, and other key source indicators, such as the statewide emergency medical system (EMS), hospital emergency departments, State Public Health Lab, a wildlife station and other facilities.

Regional Initiatives:

- (1) *Western North Carolina Health Network (WNCHN Data Link):*** In 2005, Data Link (a collaboration of 16 hospitals serving western North Carolina) was implemented for the purpose of securely and efficiently exchanging electronic patient medical information. Clinicians can access the records through any internet connected device or through their normal clinical information system and includes admission/discharge information, lab results, microbiology reports, radiology reports, medications, allergies, discharge summaries, visit histories, face sheets, history & physicals and certain transcribed reports. For Phase II of the project, medical images and medication history will be added, as well as providing access to Data Link specific to outpatient settings such as clinics, physician offices and health departments. Data Link is governed by the Western North Carolina Network Alliance comprised of the 16 respective hospital CEOs. Additionally, the Data Link Task Force meets quarterly as an advisory group of CIOs and other members to facilitate on-going support and enhancement of the network.

Providing technical services to WNCHN for Phase II is an ideal opportunity to demonstrate the value of a statewide shared services model by providing an existing HIE needed functionality for building information exchange capacity within a community. The shared services infrastructure would provide access to outpatient medication history, as well as provide integration services to virtually aggregate outpatient and inpatient data.

- (2) *Coastal Connect:*** In 2007, the CIO Committee of Coastal Carolinas Health Alliance (CCHA) that consists of representatives from 11 hospitals located along the coast of North and South Carolina began discussing patient-centric data exchange. CCHA represents nine counties with seven in North Carolina and two in South Carolina and approximately one million residents.

In August 2009, CCHA hospital members and interested stakeholders decided to move forward with planning and deploying a community-based HIO based on the results of a needs assessment conducted by CSC. It was determined that CCHA was the right entity to lead the establishment of an HIO which has been named "*Coastal Connect*".

With the formation of an HIE entity along with foundational components already in place or in the final stage of planning, Coastal Connect presents an optimal opportunity for the State of North Carolina to begin implementation of a statewide shared services infrastructure focused on providing technical services specific to health information exchange.

- (3) *Southern Piedmont Partnership for Public Health (SoPHIE):*** This is a public health initiative meant to be a model HIE that puts the patient/consumer in a position to manage the data flow and use the information to be more involved in managing their health. The group consists of the SPPPH, Division of Medical Assistance, researchers from Duke University and the University of North Carolina at Chapel Hill, FirstHealth of the Carolinas, Cabarrus Health Alliance, Cabarrus Family Practice, the NC Institute for Public Health, CCNC reps, and others. The focus is on the information needs of public health clinical providers and others who need to communicate with public health organizations specific to population health activities. Providing technical services through a

statewide shared services infrastructure is an ideal opportunity to demonstrate how this type of model could support domain-specific initiatives such as this.

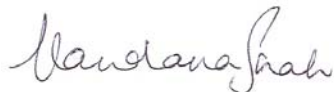
- (4) **HealthSpan:** HealthSpan is an enterprise EHR application managed by the University Health Systems of Eastern Carolina (UHS) and runs on Epic enterprise software suite. Currently, six hospitals and three clinics actively use HealthSpan and have access to approximately 1.2 million patient records. In order to expand HIE capacity across this community, HealthSpan could be utilized as a core data source accessed through an HIE platform provided by a statewide shared services infrastructure. This is an opportunity to leverage an existing, rich source of patient-centric data due to the broad adoption of Epic across UHS facilities by providing access to providers who are non-Epic users such as the public health department and those in neighboring communities.

Proposed Project and Public Interest

In an effort to slow the rapid rise in health care costs while improving the quality of patient care, North Carolina has developed the award-winning Community Care of North Carolina (CCNC). CCNC and its member networks serve as a model of an integrated approach to health care which emphasizes chronic conditions, promotes physician willingness to adapt and improve, and extends the availability of quality health care to patients living in rural areas. It is with this same vision, ambition and sense of unprecedented potential that North Carolina stands ready to develop a model for the nation of an innovative and reproducible system for health information technology that will improve outcomes and quality of life for its citizens.

This project envisions a future in which all residents of North Carolina are afforded ready access to and equal opportunity for accurate and secure health information wherever it is needed. The grant funds authorized by the HITECH Act will provide the resources to leverage critical elements of success that already exist in North Carolina to build a truly cooperative and aligned system of care that will enhance the efficiency, quality and effectiveness of the delivery of health care. Specifically, North Carolina's proposed project will assure privacy and security of health information; improve health care quality and coordination – behavioral and physical; improve health care safety; assure the education of NC health professionals to incorporate HIT into their practices; and enable individuals, providers, and communities to make the best decisions for improving consumer and population health.

Sincerely,



Vandana Shah

Executive Director

North Carolina Health and Wellness Trust Fund Commission

A division of the North Carolina Department of the State Treasurer